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# EXTERNAL VERIFICATION REPORT

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## **KULIM (MALAYSIA) BERHAD SUSTAINABILITY POLICY TRANSPARENCY TOOLKIT (SPOTT) PALM OIL ASSESSMENT**

Reporting against:  
SPOTT Palm Oil Indicator Framework 2023

Report No.:  
SQAS-SPOTT-EK91270001\_2023

Revision No.:  
01

## Abbreviations

ESG	Environmental, Social & Governance
GHG	Greenhouse Gas(es)
KULIM	Kulim (Malaysia) Berhad
SIRIM QAS Intl.	SIRIM QAS International Sdn Bhd
SPOTT	Sustainability Policy Transparency Toolkit

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## 1.0 INTRODUCTION

Kulim (Malaysia) Berhad is a wholly owned subsidiary of Johor Corporation (JCorp) involved primarily in Plantations and Agrofood. In addition, KULIM is also involved in livestock rearing and trading. The Group is today undergoing a comprehensive transformation program as part of a longer-term strategy to become a leading agribusiness player creating added value as it supports the circular economy and strengthens its ESG agenda.

SIRIM QAS International Sdn. Bhd. was appointed by Kulim (Malaysia) Berhad (hereafter referred to as KULIM) in June 2023 as the third party for external verification to review and confirm the traceability, transparency, and accuracy of information i.e., compliance status, performance and/or action taken, made available by KULIM to address SPOTT Palm Oil Indicator Framework 2023 that requires external verification.

This the first SPOTT assessment carried out by SIRIM QAS Intl. for KULIM.

## 2.0 SCOPE

The scope of the assessment was to provide an independent and objective review of the information provided to by KULIM in terms of compliance against selected SPOTT indicators (2023) i.e., specifically 26 indicators, as follows: indicator no. 7, 12, 33, 35, 36, 39, 40, 52, 53, 54, 62, 76, 77, 78, 81, 84, 85, 92, 105, 110, 112, 139, 166, 168, 170 & 173.

The assessment is not meant to provide any consultation to the client. However, the documented comments may provide input for improvements to the future SPOTT assessment and reporting.

The operating units covered under this assessment is consist of 5 mills and 23 estates in Johor, Malaysia and 2 estates without mill operating in Indonesia. Details of the operations are as below:

Location	Facilities	Operating unit
Malaysia	Palm Oil Mill	Pasir Panjang
		Sindora
		Sedenak
		Tereh
		Palong Cocoa
	Estate	Pasir Panjang
		Tunjuk Laut
		Siang
		Bukit Kelompok
		Pasir Logok
Malaysia	Estate	Sindora
		Sungai Papan
		REM
		Sedenak
		Kuala Kabong
		Bukit Layang

Malaysia	Estate	Basir Ismail
		Asam Bubok
		Tereh Utara
		Tereh Selatan
		Selai
		Mutiara
		Sungai Tawing
		Rengam
		Palong
		Mungka
		UMAC
		Labis Bahru
Indonesia	Estate	PT Rambang Agro Jaya
		PT Tempirai Palm Resources

### 3.0 OBJECTIVES OF VERIFICATION

The objectives of the assessment are as follows:

- i) Third party external verification to review and confirm the traceability, transparency and accuracy of information made available by reporting entity to address SPOTT indicators' compliance, and
- ii) To report the reporting entity compliance status against SPOTT scopes, indicators and scoring criteria in 2023.

### 4.0 VERIFICATION TEAM

Verification Team Leader : Aernida Abdul Kadir (ESG Auditor)  
 Verification Team Member : Rozaimie Ab. Rahman (RSPO P&C/SC Auditor)  
 Verification Team Member : Dzulfiqar Azmi (RSPO P&C/SC Auditor)

The appointed team members are all qualified as lead auditors for relevant schemes in accordance with SIRIM QAS Intl. internal established procedure. Collectively, these competencies are being represented by the team.

- i. Qualified lead auditor for RSPO Principle & Criteria/RSPO Supply Chain Certification System
- ii. Social Accountability / SIRIM 50
- iii. ISO 14001 Environmental Management System
- iv. ISO 50001 Energy Management System
- v. ISO 14064 Part 1 & 2 i.e., Greenhouse gases quantification and reporting for organization/project
- vi. ISO 45001 Occupational, Safety & Health Management System
- vii. ISO 37001 Anti-bribery Management System
- viii. Certified Sustainability Reporting Assurer

## 5.0 CONFIDENTIALITY

The members of the verification team from SIRIM QAS Intl. have given undertakings not to disclose any confidential information that may have been provided to them by during the assessment process, including information contained in this verification report, to any third party, without the approval from KULIM unless such disclosure is required by law. If required by law, relevant party will be informed of the information disclosed.

## 6.0 DISCLAIMER

The assessment was based on the information made available by KULIM for all indicators relating to SPOTT Palm Oil Indicator Framework only. For any information other than this, it was considered as outside of the assessment scope and hence, not verified.

## 7.0 METHODOLOGY

SIRIM QAS Intl. assessment process consisted of the following phases:

- i) Off-site document review & confirming applicable indicators,
- ii) Assessment audit planning,
  - The sampling design for verification assessment will be based on a minimum sample of facilities, where  $x = (\sqrt{y})$ , where y is the number of facilities under each processing scope. The result always to be rounded “up” to the next whole integer.
  - For KULIM (M) BERHAD with 5 mills and 23 estates, the audit sample will include 3 mills and 5 estates, as follows. A visit to KULIM Headquarters was also carried out, accordingly.

Operating unit in	Estate	Palm Oil Mill
Sedenak	Kuala Kabong Estate	Sedenak POM
Kluang	Mutiara Estate Selai Estate	Tereh POM
Segamat	Mungka Estate Palong Estate	Palong Cocoa POM

- iii) Onsite verification i.e., face to face and remote interview; with relevant personnel/the data owner of relevant data related to the SPOTT indicators.
  - Inquiring and interviewing of management, including senior management at executive and functional levels, and of relevant management responsible for the day-to-day management of sustainability.
  - Observing and inspecting management practices, process testing and evidence gathering across the organization on a sample basis.
  - Evaluating documentary evidence and management representations that support adherence to the principles.

- Data source validation.
  - Limited testing of detail on a sample basis (e.g., re-performance of calculations)
  - Carrying out analytical procedures (e.g., trend analysis).
  - Observing and inspecting on a sample basis management practice, process testing and evidence gathering (from source to aggregation).
- iii) Preparation and issuance of final verification report.

#### Duration of Assessment

The verification assessment was carried out in June 2023 to August 2023 with details as follows:

Off-site document review	:	21 & 26 June 2023
On-site assessment	:	4 – 7, 11 – 12, 17 – 18 & 20 July 2023
Preparation of final report	:	28 July 2023 – 25 August 2023

## 8.0 ASSESSMENT FINDINGS

Independent and objective review of the information provided by KULIM in terms of compliance against selected SPOTT indicators (2023) i.e., 26 indicators [indicator no. 7, 12, 33, 35, 36, 39, 40, 52, 53, 54, 62, 76, 77, 78, 81, 84, 85, 92, 105, 110, 112, 139, 166, 168, 170 & 173] were verified and summarized in the table below.

Category	ID	Indicator	Summary of findings	
Sustainability policy and leadership	7	Member of multiple industry schemes or other external initiatives to reduce negative environmental or social outcomes associated with palm oil production	It has been confirmed that KULIM is participating member of the following organizations:	
			<b>1. United Nation Global Compact, UNGC (<a href="http://www.unglobalcompact.org/what-is-gc/participants">www.unglobalcompact.org/what-is-gc/participants</a>)</b>	
			Organization background	The UN Global Compact multi-year strategy is to drive business awareness and action in support of achieving the Sustainable Development Goals by 2030. It aligns strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and take actions that advance societal goals.
			Date joined	10/04/2023
			Remarks	Active participant since 10/04/2023. Based on the Letter of Commitment, the next Communication on Progress (COP) is due on 30/06/2024.
			<b>2. Singapore Alliance for Sustainable Palm Oil, SASPO (<a href="https://saspo.org/saspo-members/">https://saspo.org/saspo-members/</a>)</b>	
			Organization background	SASPO is a business initiative that brings companies together across varying sectors to tackle supply chain issues around palm oil and work towards increasing the supply and demand of certified sustainable palm oil in Singapore.
			Date joined	4/06/2023
			Remarks	Sighted the communication email between KULIM and Ms Gabrielle Malcom (the Assistant Manager - Market Transformation) through email dated 04/06/2023, which relates to the confirmation on Johor Plantations Berhad (KULIM's major shareholder) as SASPO's member. It has been confirmed that the Johor Plantation's company logo appeared on SASPO's website as listed member.
			<b>3. Global Reporting Initiatives, GRI (<a href="https://www.globalreporting.org/reporting-support/gri">https://www.globalreporting.org/reporting-support/gri</a>)</b>	
			Organization background	Provide the most widely used sustainability reporting standards, which cover topics that range from biodiversity to tax, waste to emissions, diversity and equality to health and safety.
			Date joined	10/01/2023
			Remarks	Refer to Sustainability Report 2022



Category	ID	Indicator	Summary of findings					
Sustainability policy and leadership	12	Climate risks assessment available	<p>KULIM has initiated climate risk assessment in accordance with TCFD recommendation and made the information publicly available in their Sustainability Report 2022. The activities and progresses that the company made against the core elements disclosures such as the formation of board members and the role and responsibilities of the company boards towards the climate-related risks overall process for recommendations as stated in the Governance pillar. The integration of climate-related risk assessment and identification into the existing Business Continuity Plan and its Risk Register (updated as of Nov 2022) clearly demonstrated that KULIM has start incorporating relevant climate-related risks into the company overall Risk Management. Last of all, it is evident that KULIM has established the mapping between the existing GHG accounting and reporting with that as required under the recommendations for Metric and Targets pillar.</p> <p>It was also noted that at the point when this verification activity is carried out, KULIM is aggressively building the company capacity through series of meetings and discussions to conclude their climate-related risk matters and conclusively, finalising the company strategies towards climate-related risks. However, it is to note that KULIM has not register as TCFD Supporters as of the time this report being finalized.</p>					
Landbank, maps and traceability	33	Percentage of supply traceable to mill level	This is not applicable for KULIM as it is meant for downstream only. Not applicable for mill & estates.					
	35	Percentage of fresh fruit bunches (FFB) supply to own mills traceable to plantation level	<p>With regards to sampled mills:</p> <table border="1"> <thead> <tr> <th colspan="2">1. Tereh POM</th> </tr> </thead> <tbody> <tr> <td>Traceability</td> <td>No outsider crop (only from certified own estates – Mutiara Estate, Selai Estate, Tereh Utara Estate, Tereh Selatan Estate, Sungai Tawing Estate, Rengam Estate) – 100% traceable.</td> </tr> <tr> <td>Reviewed information on FFB supplying estates</td> <td> <ul style="list-style-type: none"> <li>• Rengam Estate: date: 26/06/2023, vehicle no: JKV940, DO no: 66475, field: P19,P05,P00, ticket no: 180853, net weight: 23.03mt, RSPO cert no: RSPO 613086 – Identity Preserved</li> <li>• Sungai Tawing Estate: date: 31/05/2023, vehicle no: JBG3377, DO no: 96645, field: P04, ticket no: 178780, net weight: 13.24mt. RSPO cert no: RSPO 613086 – Identity Preserved</li> <li>• Mutiara Estate: date: 30/04/2023, vehicle no: JLG 9549, DO no: 39249, field: P17/1, ticket no: 176447, net weight: 7.91mt. RSPO cert no: RSPO 613086 – Identity Preserved</li> <li>• Tereh Selatan Estate -date: 28/03/2023, vehicle no: JSN9549, DO no: 39249, field: P99/2, ticket no: 174533, net weight: 5.55mt. RSPO cert no: RSPO 613086 – Identity Preserved</li> <li>• Tereh Utara Estate -date: 24/02/2023, vehicle no: JQL9549, DO no: 97541, field: P00/4, ticket no: 172986, net weight: 5.51mt. RSPO cert no: RSPO 613086 – Identity Preserved</li> <li>• Selai Estate -date: 31/01/2023, vehicle no: JUV1452, DO no: 24643, field: P07/1, ticket no: 171364, net weight: 16.00mt. RSPO cert no: RSPO 613086 – Identity Preserved</li> </ul> </td> </tr> </tbody> </table>	1. Tereh POM		Traceability	No outsider crop (only from certified own estates – Mutiara Estate, Selai Estate, Tereh Utara Estate, Tereh Selatan Estate, Sungai Tawing Estate, Rengam Estate) – 100% traceable.	Reviewed information on FFB supplying estates
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Palong Cocoa POM</b></td> </tr> <tr> <td>Traceability</td> <td>No outsider crop (only from certified own estates – Palong Estate, Mungka Estate, UMAC Estate, and Labis Bahru Estate) – 100% traceable.</td> </tr> <tr> <td>Reviewed information on FFB supplying estates</td> <td> <ul style="list-style-type: none"> <li>• Labis Bahru Estate: date: 30/12/2022, vehicle no: BEB 8419, DO no: 79174, field: P06, P08, P05, P13, ticket no: 190070, net weight: 33.96mt, RSPO cert no: RSPO6138087- Identity Preserved</li> <li>• Mungka Estate: date: 09/09/2022, vehicle no: MAC 9139, DO no: 28966, field: P10/1, ticket no: 182711, net weight: 8.18mt, RSPO cert no: RSPO6138087- Identity Preserved</li> <li>• Palong Estate: date: 30/10/2022, vehicle no: LP 011, DO no: 46351, field: P13/6, ticket no: 185917, net weight: 10.64mt, RSPO cert no: RSPO6138087- Identity Preserved</li> <li>• UMAC Estate: date: 26/11/2022, vehicle no: PFR 6875, DO no: 39528, field: P05,P07, ticket no: 187877, net weight: 34.70mt, RSPO cert no: RSPO6138087- Identity Preserved</li> </ul> </td> </tr> <tr> <td>Remarks</td> <td>RSPO-IP Certified mill</td> </tr> <tr> <td colspan="2"><b>3. 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Weighbridge Ticket – 447161 – 30/12/22 – Vehicle No: JKW 5703 – D/O: 49416 – 20940kg MPOB License: 508278415000, Nirwana Ceria Sdn.Bhd. (01/02/23 – 31/01/24)</li> <li>• Eng Lee Heng Trading: Weighbridge Ticket – 437329 – 30/06/22 – Vehicle No: JSV 5018 – D/O: 44915 – 22870kg MPOB License: 508454015000, Eng Lee Heng Trading Sdn.Bhd. (01/04/23 – 31/03/24)</li> <li>• Koperasi Penanam Sawit Mampan Kulaijaya: Weighbridge Ticket – 437253 – 29/06/22 – Vehicle No: JEJ6265 – D/O: 1095 – 31790kg MPOB License: 509302015000, Koperasi Penanam Sawit Mampan Kulaijaya (01/07/23 – 30/06/24)</li> </ul> </td> </tr> <tr> <td>Remarks</td> <td>RSPO-MB Certified mill</td> </tr> </table>	Remarks	RSPO-IP Certified mill	<b>2. Palong Cocoa POM</b>		Traceability	No outsider crop (only from certified own estates – Palong Estate, Mungka Estate, UMAC Estate, and Labis Bahru Estate) – 100% traceable.	Reviewed information on FFB supplying estates	<ul style="list-style-type: none"> <li>• Labis Bahru Estate: date: 30/12/2022, vehicle no: BEB 8419, DO no: 79174, field: P06, P08, P05, P13, ticket no: 190070, net weight: 33.96mt, RSPO cert no: RSPO6138087- Identity Preserved</li> <li>• Mungka Estate: date: 09/09/2022, vehicle no: MAC 9139, DO no: 28966, field: P10/1, ticket no: 182711, net weight: 8.18mt, RSPO cert no: RSPO6138087- Identity Preserved</li> <li>• Palong Estate: date: 30/10/2022, vehicle no: LP 011, DO no: 46351, field: P13/6, ticket no: 185917, net weight: 10.64mt, RSPO cert no: RSPO6138087- Identity Preserved</li> <li>• UMAC Estate: date: 26/11/2022, vehicle no: PFR 6875, DO no: 39528, field: P05,P07, ticket no: 187877, net weight: 34.70mt, RSPO cert no: RSPO6138087- Identity Preserved</li> </ul>	Remarks	RSPO-IP Certified mill	<b>3. 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Weighbridge Ticket – 447161 – 30/12/22 – Vehicle No: JKW 5703 – D/O: 49416 – 20940kg MPOB License: 508278415000, Nirwana Ceria Sdn.Bhd. (01/02/23 – 31/01/24)</li> <li>• Eng Lee Heng Trading: Weighbridge Ticket – 437329 – 30/06/22 – Vehicle No: JSV 5018 – D/O: 44915 – 22870kg MPOB License: 508454015000, Eng Lee Heng Trading Sdn.Bhd. (01/04/23 – 31/03/24)</li> <li>• Koperasi Penanam Sawit Mampan Kulaijaya: Weighbridge Ticket – 437253 – 29/06/22 – Vehicle No: JEJ6265 – D/O: 1095 – 31790kg MPOB License: 509302015000, Koperasi Penanam Sawit Mampan Kulaijaya (01/07/23 – 30/06/24)</li> </ul>	Remarks	RSPO-MB Certified mill
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Remarks	RSPO-MB Certified mill																				
<p>It is confirmed that all KULIM FFB processed at own mills is fully traceable. KULIM has the SOP for Traceability system in place (No: SQD/SMS/2.1 dated 17/02/2022), for the FFB supplier to provided data such as the information of FFB Origins, Evidence of ownership and MPOB License. KULIM adopts sustainable practices, with all the estates and mills being RSPO certified, and all KULIM mills additionally bearing the</p>																					

			<p>ISCC stamp of approval. KULIM also subscribes to the RSPO traceability system, known as RSPO Palm Trace and has encouraged the out growers to be RSPO certified and provide technical expertise towards this end.</p> <p>KULIM has initiated the traceability exercise with their suppliers by requesting them to fill out the traceability forms distributed. In 2021, KULIM has made it compulsory for all smallholders and traders to provide their traceability information as part of our FFB purchase agreements. However, it was noted that there were cases where the FFB that comes from dealers/collecting centres were not traceable to the plantation level for their RSPO-MB certified mill. As reported by HQ with reference to the Traceability Report-2022, the overall traceability percentage for KULIM in 2022 was at 87.52%. Details as follows.</p> <table border="1"> <thead> <tr> <th></th> <th>Percentage (%)</th> </tr> </thead> <tbody> <tr> <td>Total traceable (Malaysia only)</td> <td>87.52</td> </tr> <tr> <td>Not traceable (dealers/collecting center)</td> <td>12.48</td> </tr> <tr> <td>Percentage of FFB 2022</td> <td>100.00</td> </tr> </tbody> </table>		Percentage (%)	Total traceable (Malaysia only)	87.52	Not traceable (dealers/collecting center)	12.48	Percentage of FFB 2022	100.00
	Percentage (%)										
Total traceable (Malaysia only)	87.52										
Not traceable (dealers/collecting center)	12.48										
Percentage of FFB 2022	100.00										
Landbank, maps and traceability	36	Percentage of supply from third-party mills traceable to plantation level	There were no third-party mills in KULIM.								
Certification standards	39	Member of the Roundtable on Sustainable Palm Oil (RSPO)	<p>Yes, with details as follows which is available in the RSPO website:  <a href="https://rspo.org/members/1-0080-09-000-00/">https://rspo.org/members/1-0080-09-000-00/</a></p> <p>Membership No: 1-0080-09-000-00            Category: Ordinary            Sector: Oil Palm Growers            Country/Territory: Malaysia            Member since: 15 June 2009            Web: KULIM <a href="https://kulim.com.my/">https://kulim.com.my/</a></p>								
	40	RSPO-certified within three years of joining the RSPO or by November 2010, for companies joining prior to finalisation of the RSPO certification systems in November 2007	<p>KULIM is RSPO-certified members under Johor Corporation (Parent Company). With reference to the latest ACOP submitted to RSPO dated 19 May 2023, the communication between KULIM with RSPO ACOP team was evident. It was also evident that KULIM has communicated to RSPO with regards to the deviation of their Time-Bound Plan (TBP) details in March 2022, where the date of certification for the uncertified operational units were postponed to 2025. Further to that, the revised TBP also included two CUs in Indonesia i.e., PT. Rambang Agro Jaya (PT-RAJ) and PT. Tempirai Palm Resources (PT-TPR). The revised TBP was accepted and approved by RSPO in April 2022. The TBP was revised due to :</p> <ol style="list-style-type: none"> <li>i. Onsite visits to the plantation were delayed from schedule due to MCO.</li> <li>ii. Ongoing regulatory issues with regards to plasma and PUP in Indonesia that could not be resolved as of now i.e., Pemda OKI (Pemerintah Daerah), Dinas Perkebunan etc.</li> </ol>								

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Certification standards	52	Indonesia Sustainable Palm Oil (ISPO) certified (100%)	<p>ISPO certification = 0%. PT. Rambang Agro Jaya (PT-RAJ) and PT. Tempirai Palm Resources (PT-TPR), are not ISPO certified yet.</p> <p>During the conduct of this year assessment, KULIM has shared that the divestment of ALL land bank area in Indonesian estate (as listed above) is completed in August 2023. Nevertheless, this information has not been made publicly available.</p>																																																																			
	53	Malaysia Sustainable Palm Oil (MSPO) certified	<p>MSPO certification = 100%. All operational unit in Malaysia is MSPO certified. Refer to <a href="https://mspotrAce.org.my/Opmc_list">https://mspotrAce.org.my/Opmc_list</a> [company name-Kulim (Malaysia) Berhad]. Summary of information as follows:</p> <table border="1"> <thead> <tr> <th>Operational Unit – Palm Oil Mill</th> <th>MSPO Cert. No.</th> <th>Certified since</th> <th>Valid until</th> </tr> </thead> <tbody> <tr> <td>Tereh</td> <td>MSPO 698004</td> <td>4/2/2019</td> <td>1/4/2024</td> </tr> <tr> <td>Palong Cocoa</td> <td>MSPO 698010</td> <td>4/1/2019</td> <td>31/3/2024</td> </tr> <tr> <td>Sedenak</td> <td>MSPO 697947</td> <td>30/3/2019</td> <td>29/3/2024</td> </tr> <tr> <td>Sindora</td> <td>MSPO 697951</td> <td>3/10/2019</td> <td>9/03/2024</td> </tr> <tr> <td>Pasir Panjang</td> <td>MSPO 696199</td> <td>3/08/2019</td> <td>7/03/2024</td> </tr> <tr> <th>Operational Unit – Group of Estates</th> <th>MSPO Cert. No.</th> <th>Certified since</th> <th>Valid until</th> </tr> <tr> <td>Tereh</td> <td>MSPO 698005</td> <td>4/2/2019</td> <td>1/4/2024</td> </tr> <tr> <td>Mutiara Estate, Selai Estate, Tereh Utara Estate, Tereh Selatan Estate, Sungai Tawing Estate, Rengam Estate</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Palong</td> <td>MSPO 698011</td> <td>4/1/2019</td> <td>31/3/2024</td> </tr> <tr> <td>Palong Estate, Mungka Estate, UMAC Estate, Labis Baru Estate</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Pasir Panjang</td> <td>MSPO 696200</td> <td>3/8/2019</td> <td>7/3/2024</td> </tr> <tr> <td>Pasir Panjang Estate, Tunjuk Laut Estate, Siang Estate, Bkt Kelompok Estate, Pasir Logok Estate</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Sedenak</td> <td>MSPO 697948</td> <td>30/3/2019</td> <td>29/3/2024</td> </tr> <tr> <td>Sedenak Estate, Kuala Kabong Estate</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Sindora</td> <td>MSPO 697952</td> <td>3/10/2019</td> <td>9/3/2024</td> </tr> <tr> <td>Sindora Estate, REM Estate, Sg Papan Estate, Basir Ismail Estate</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Operational Unit – Palm Oil Mill	MSPO Cert. No.	Certified since	Valid until	Tereh	MSPO 698004	4/2/2019	1/4/2024	Palong Cocoa	MSPO 698010	4/1/2019	31/3/2024	Sedenak	MSPO 697947	30/3/2019	29/3/2024	Sindora	MSPO 697951	3/10/2019	9/03/2024	Pasir Panjang	MSPO 696199	3/08/2019	7/03/2024	Operational Unit – Group of Estates	MSPO Cert. No.	Certified since	Valid until	Tereh	MSPO 698005	4/2/2019	1/4/2024	Mutiara Estate, Selai Estate, Tereh Utara Estate, Tereh Selatan Estate, Sungai Tawing Estate, Rengam Estate				Palong	MSPO 698011	4/1/2019	31/3/2024	Palong Estate, Mungka Estate, UMAC Estate, Labis Baru Estate				Pasir Panjang	MSPO 696200	3/8/2019	7/3/2024	Pasir Panjang Estate, Tunjuk Laut Estate, Siang Estate, Bkt Kelompok Estate, Pasir Logok Estate				Sedenak	MSPO 697948	30/3/2019	29/3/2024	Sedenak Estate, Kuala Kabong Estate				Sindora	MSPO 697952	3/10/2019	9/3/2024	Sindora Estate, REM Estate, Sg Papan Estate, Basir Ismail Estate		
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Deforestation and biodiversity	62	Evidence of monitoring deforestation and/or ecosystem conversion in supplier operations	<p>KULIM subscribes to the Global Forest Watch (GFW) system on 21 April 2022. The data started uploaded in GFW starting from April to June 2022. KULIM reports using Global Forest Watch (GFW) satellite monitoring to continuously monitor deforestation in their supplier operations. KULIM uses GFW to closely monitor an area of a total of 10,715.38 Ha, representing 80% of the supplier operation who includes traders, smallholder schemes and out growers. As this report finalized, there was no complaint or alarm system triggered from GFW related to deforestation at their CUs and its supply bases. KULIM manages their operation in continuously monitoring all their FFB supply base (outsider FFB) by establishing the FFB Supplier List 2022 and 2023. The list contains all information on geo-location of the FFB origin to monitor their FFB supplier fields, as tabulated below. The GPS coordinates for each FFB suppliers were sighted during the conduct of review, but the information was excluded in this report.</p> <table border="1" data-bbox="728 638 1809 1436"> <thead> <tr> <th>Category</th> <th>No.</th> <th>Name</th> <th>POM</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Outgrowers</td> <td>1</td> <td>Kebun Sedenak Sdn Bhd</td> <td>SEDPOM</td> </tr> <tr> <td>2</td> <td>Puncak Rata (M) Sdn Bhd (Ladang Sedenak Bahru)</td> <td>SEDPOM</td> </tr> <tr> <td>3</td> <td>Felda Global Venture Holdings (Felda Paloh)</td> <td>TPOM</td> </tr> <tr> <td>4</td> <td>Rantau Harmoni Sdn Bhd (Ladang Wawasan)</td> <td>TPOM</td> </tr> <tr> <td rowspan="12">Traders / Dealers</td> <td>1</td> <td>AZ Iman Resources Sdn Bhd</td> <td>SEDPOM</td> </tr> <tr> <td>2</td> <td>Bukit Siput Resources Sdn Bhd</td> <td>SEDPOM</td> </tr> <tr> <td>3</td> <td>Che Yu Trading Sdn. Bhd</td> <td>SEDPOM</td> </tr> <tr> <td>4</td> <td>Choon Guan Oil Palm Sdn Bhd</td> <td>SEDPOM</td> </tr> <tr> <td>5</td> <td>Eng Huat Latex Concentrate Sdn Bhd</td> <td>SEDPOM</td> </tr> <tr> <td>6</td> <td>Eng Lee Heng Trading Sdn Bhd</td> <td>SEDPOM &amp; SINPOM</td> </tr> <tr> <td>7</td> <td>Fong Tak Development Sdn. Bhd</td> <td>SEDPOM</td> </tr> <tr> <td>8</td> <td>Guan Leng Trading Sdn Bhd</td> <td>SEDPOM</td> </tr> <tr> <td>9</td> <td>Haji Mansor Dan Keluarga Enterprise</td> <td>SEDPOM</td> </tr> <tr> <td>10</td> <td>Hong Hui Trading</td> <td>SEDPOM</td> </tr> <tr> <td>11</td> <td>Hwa Lee Oil Palm Trading Sdn Bhd</td> <td>SEDPOM</td> </tr> <tr> <td>12</td> <td>KCL Dagang Enterprise</td> <td>SEDPOM</td> </tr> <tr> <td>13</td> <td>Keng Ann Rubber Sdn. Bhd.</td> <td>SEDPOM</td> </tr> <tr> <td>14</td> <td>Nirwana Ceria Sdn Bhd</td> <td>SEDPOM</td> </tr> <tr> <td>15</td> <td>Perniagaan Md Sangidi</td> <td>SEDPOM</td> </tr> <tr> <td>16</td> <td>Perniagaan Sri Mahtai</td> <td>SEDPOM</td> </tr> </tbody> </table>	Category	No.	Name	POM	Outgrowers	1	Kebun Sedenak Sdn Bhd	SEDPOM	2	Puncak Rata (M) Sdn Bhd (Ladang Sedenak Bahru)	SEDPOM	3	Felda Global Venture Holdings (Felda Paloh)	TPOM	4	Rantau Harmoni Sdn Bhd (Ladang Wawasan)	TPOM	Traders / Dealers	1	AZ Iman Resources Sdn Bhd	SEDPOM	2	Bukit Siput Resources Sdn Bhd	SEDPOM	3	Che Yu Trading Sdn. Bhd	SEDPOM	4	Choon Guan Oil Palm Sdn Bhd	SEDPOM	5	Eng Huat Latex Concentrate Sdn Bhd	SEDPOM	6	Eng Lee Heng Trading Sdn Bhd	SEDPOM & SINPOM	7	Fong Tak Development Sdn. Bhd	SEDPOM	8	Guan Leng Trading Sdn Bhd	SEDPOM	9	Haji Mansor Dan Keluarga Enterprise	SEDPOM	10	Hong Hui Trading	SEDPOM	11	Hwa Lee Oil Palm Trading Sdn Bhd	SEDPOM	12	KCL Dagang Enterprise	SEDPOM	13	Keng Ann Rubber Sdn. Bhd.	SEDPOM	14	Nirwana Ceria Sdn Bhd	SEDPOM	15	Perniagaan Md Sangidi	SEDPOM	16	Perniagaan Sri Mahtai	SEDPOM
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HCV, HCS and impact assessments	76	High Conservation Value (HCV) assessments for planting undertaken prior to January 2015, and associated management and monitoring plans	<p>KULIM is RSPO certified since 2009 and there was no New Planting in the KULIM operation since then. Details of planting year and hectarage statement were also verified by third party during external RSPO audit and clearly reported and verified under Principle 7 of the standard. The summary of year of establishment for each estate were as below:</p> <table border="1"> <thead> <tr> <th colspan="2">Tereh Complex</th> <th colspan="2">Palong Complex</th> </tr> </thead> <tbody> <tr> <td>Tereh Selatan Estate</td> <td>1970</td> <td>Mungka Estate</td> <td>1978</td> </tr> <tr> <td>Tereh Utara Estate</td> <td>1973</td> <td>Palong Estate</td> <td>1978</td> </tr> <tr> <td>Selai Estate</td> <td>1980</td> <td>UMAC Estate</td> <td>1972</td> </tr> <tr> <td>Mutiara Estate</td> <td>1974</td> <td>Labis Bahru Estate</td> <td>1075</td> </tr> <tr> <td>Sungai Tawing Estate</td> <td>1975</td> <td></td> <td></td> </tr> <tr> <td>Rengam Estate</td> <td>1971</td> <td></td> <td></td> </tr> <tr> <th colspan="2">Sedenak Complex</th> <th colspan="2">Sindora Complex</th> </tr> <tr> <td>Sedenak Estate</td> <td>1968</td> <td>Sindora Estate</td> <td>1983</td> </tr> <tr> <td>Kuala Kabong Estate</td> <td>1998</td> <td>REM Estate</td> <td>1968</td> </tr> <tr> <td></td> <td></td> <td>Sg Papan Estate</td> <td>1976</td> </tr> <tr> <td></td> <td></td> <td>Basir Ismail Estate</td> <td>1948</td> </tr> <tr> <th colspan="2">Pasir Panjang Complex</th> <td>Siang Estate</td> <td>1976</td> </tr> <tr> <td>Pasir Panjang Estate</td> <td>1989</td> <td>Bukit Kelompok Estate</td> <td>1980</td> </tr> <tr> <td>Tunjuk Laut Estate</td> <td>1984</td> <td>Pasir Logok Estate</td> <td>1979</td> </tr> </tbody> </table>	Tereh Complex		Palong Complex		Tereh Selatan Estate	1970	Mungka Estate	1978	Tereh Utara Estate	1973	Palong Estate	1978	Selai Estate	1980	UMAC Estate	1972	Mutiara Estate	1974	Labis Bahru Estate	1075	Sungai Tawing Estate	1975			Rengam Estate	1971			Sedenak Complex		Sindora Complex		Sedenak Estate	1968	Sindora Estate	1983	Kuala Kabong Estate	1998	REM Estate	1968			Sg Papan Estate	1976			Basir Ismail Estate	1948	Pasir Panjang Complex		Siang Estate	1976	Pasir Panjang Estate	1989	Bukit Kelompok Estate	1980	Tunjuk Laut Estate	1984	Pasir Logok Estate	1979
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		<p>There was an HCV Report finalized by Lewie Dekker (RSPO Assessor, HCV/Biodiversity) in Feb 2013 (for Tereh Complexs) and by A.J.F.M Dekker (Consultant, Biodiversity) in July 2009 (for Palong Complexs). The assessments were conducted in 2007 and 2009, respectively. The summary of findings for Habitats, Wildlife, Pond, Wetland and Watercourse was explained in the report. Among the information provided in the report was regarding the vegetation &amp; wildlife for immediate action and long-term strategies. The summary of information was made publicly available during stakeholder consultation meeting with stakeholders such as contractor, supplier, nearby estates and smallholders, school, villagers, indigenous representative, Forest Department, Jabatan Perhilitan, etc.</p> <p><b>Selai Estate – Rapid Biodiversity Assessment date 5 &amp; 20/09/2007.</b> High Conservation Area: vegetation (reservoir/wetland), wildlife -possibly migratory bird species. Long term strategies: Let wet grasslands develop; possibly provide/manage strip of shrubs/tree on surrounding bunds (shelter/variety).</p> <p>Engang Division bounded by Selai and Sembrong rivers in north, south, and southeast. Selai river reserve was logged in the years 2000 to 2003. Supposedly protected, legal papers presented to the estate for access appeared genuine. Most of the timber removed in 6-8ft sections. Sembrong river reserve too looks like it has been fairly recently logged. River reserve area is generally in poor shape. High Conservation Area: Nil Long term strategies: leave it to develop naturally; monitor “spring” below road and special vegetation, if any develops.</p> <p><b>Mutiara Estate – Rapid Biodiversity Assessment date 17-18/09/2007.</b> The Estate is essentially formed by the marshlands created by the Sg Sembrong river and its tributaries, including Sg Chales in the western part of Mutiara, and Sg Keroh in the eastern section. These marshlands and forests further to the east still connect to the forest belt of the Endau-Rompin National Park. High Conservation Area: Wildlife - potentially Asian Elephant from outside Long term strategies: Restore buffer zone while facilitating flow through bridges</p> <p>Sembrong Division (merged with Mutiara Estate) boundary is with other plantations and orchards. Only the extreme northern tip of the west section abounds with secondary forest, The west section has an interesting dry reservoir, of which the bund broke in early 2007, that would seem to be a perfect test site to replicate the wetland/reservoir found in Ladang Selai. The bund could fairly easily be rebuilt, and a water gate installed to regulate water levels, though the amount of water currently streaming out is surprisingly little. Streams flowing out of the eastern section were all noted for the very clear water flow, with no sediment carried at all. High Conservation Area: Nil Long term strategies: create wetland reservoirs: rebuild bund slowly, a meter at a time to monitor development of wetland in reservoir; build sluice gates to control water level; seasonal draining.</p> <p><b>Mungka Estate – Rapid Biodiversity Assessment date 01/7/2008 &amp; 25/9/2007.</b> The Estate bounded by oil palm estates on three sides, and smallholders along the south. The nearest natural areas are the hills to the south of this estate. Even these appear under threat as one of the hills is being mined already. Inside the estate there is a small jungle strip of severely degraded secondary swampy forest along the banks of Sg. Sepang Loi, and a small patch of wooded scrubland where a single Spectacled Langur was seen. The southern half of the estate is fairly wet and subject to low-level flooding. High Conservation Area: Wildlife Within estate - “Otter” reported by workers; any of 3 likely species; Otter Civet Otter: Endangered; Smooth-coated Otter, Small clawed Otter: Vulnerable; Spectacled Langur Outside estate Malayan Tapir,</p>
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			<p>Spectacled Langur. Long term strategies: Ensure no encroachment or other disturbance.</p> <p>Sepang Loi Division (merged with Mungka Estate) had forest remnants on steep slopes, but all but the steepest of these were cleared in 2003. Oil palm mostly failed in these areas because they are still too steep and rocky. Slopes nearing vertical at places! Forests found on the boundary (northwest, centre east) are very secondary, from re-growth (mostly saplings) to shrubby with few larger trees. In the middle of the estate lies a small, forested outcrop, possibly serving as a steppingstone between the northeast and south-central forested regions. A larger forested area is situated about 1 km to the east of the estate, though that too is looking fairly open and degraded. Most of the remaining boundaries are with smallholders' oil palm and orchards (east and north), or large estates (west). High Conservation Area: Nil. Long term strategies: Keep old oil palm, as plenty of wildlife was spotted in it, before retreating into shrubby forest north of it. Monitor what happens, leave understorey untouched</p> <p><b>Palong Estate –Rapid Biodiversity Assessment dated 1-2/07/2008.</b> The Estate surrounded by other estates and smallholders. Even in the northwest, where the estate borders Sg Badoh, the entire river buffer zone on the Palong side has been encroached upon by the Bukit Bujang estate. In the central region of the estate an old mine is now lying vacant. Some of the roads near there appear to have blocked water flowing out, resulting in the woodland becoming rather swampy. Within the estate only some tiny pockets of semi-natural vegetation remain. High Conservation Values: Nil. Long term strategies: Retain and develop buffers along streams and drains to minimise erosion and resource loss and encourage diver.</p> <p>Kemedak Division (merged with Palong Estate) is mostly low lying, except for the eastern-most part. Flood prone in southern tip and along the western boundary. The reservoir has the beginnings of floating islands and a fairly extensive wetland-like fringe. There exists an interesting patch of mixed trees and bamboo on a steep slope near the eastern boundary, and a permanent spring in the valley below. High Conservation Values: Vegetation (reservoir) Long term strategies: Improved erosion control: review streams and drains, buffer where erosion occurs, identify, and eliminate sources of siltation; in highlands improve erosion control on terracing, roads, and road-side drains</p> <p><b>Kuala Kabong Estate – Rapid Biodiversity Assessment dated 22/09/2007.</b> This estate is mostly low-lying, very wet, on ex-peat swamp forest. Soil very soft. Water levels are managed with weirs and gates. Only along north-western boundary longer stretches of interesting vegetation: wide boundary drains with fringe of regrowth swamp forest (older saplings), and degraded swamp forest across main government road. Remainder of boundary is shared with smallholders: a mix of (abandoned) fields, orchards, and here and there pockets of regrowth swampy forest. High Conservation Values – Nil. Immediate actions – Commission migratory bird survey Long term strategies – Try replanting with saplings from Site 3 (Site 2), boundary drain and swampy forest strip between Kuala Kabong &amp; RISDA, discuss joint management for biodiversity (mini wetland), to include vegetation development, desilting (Site 3), develop buffer zone (Site 4).</p>
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			<p>Apart from the above, the HCV assessments for these two operational units in Indonesia, PT Harapan Barito Sejahtera and PT Sawit Sumber Rejo, with its management and monitoring plans were made publicly available by KULIM for planting prior to Jan 2015), as follows.</p> <ul style="list-style-type: none"> <li>i. File 1: Summary Report of SEIA and HCV Assessment - PT Sawit Sumber Rejo (<a href="https://spott.reportingframework.com/file/915a1fb9-9d71-4ea1-9b77-1f6b1f2aafa8/">https://spott.reportingframework.com/file/915a1fb9-9d71-4ea1-9b77-1f6b1f2aafa8/</a>)</li> <li>ii. File 2: Summary Report of SEIA and HCV Assessment - PT Harapan Barito Sejahtera (<a href="https://spott.reportingframework.com/file/68037d55-1f16-45aa-a590-4f98b70ba349/">https://spott.reportingframework.com/file/68037d55-1f16-45aa-a590-4f98b70ba349/</a>)</li> </ul> <p>However, it is to note that these two operational units were bought by 3rd party in Dec 2017. Refer to the following: page 32 (<a href="https://dewannegeri.johor.gov.my/wp-content/uploads/2019/08/KM-JCorp-2017.pdf">https://dewannegeri.johor.gov.my/wp-content/uploads/2019/08/KM-JCorp-2017.pdf</a>), and page 182 (<a href="https://kulim.com.my/ms/publications/">https://kulim.com.my/ms/publications/</a>)</p>
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Category	ID	Indicator	Summary of findings
HCV, HCS and impact assessments	77	High Conservation Value (HCV) assessments for all estates planted/planned planting since January 2015	It has been confirmed that there was no new planting at KULIM since January 2015. And there was no new HCV undertaken for assessment that are not for new planting.
HCV, HCS and impact assessments	78	High Conservation Value (HCV) or combined HCV/HCS management and monitoring plans for all estates planted/planned planting since January 2015	This indicator is disabled as the company has not undertaken any new planting since January 2015.
	81	Satisfactory review of all High Conservation Value (HCV) assessments undertaken since January 2015 by the HCV ALS Quality Panel	This indicator is disabled as the company has not undertaken any new planting since January 2015.
	84	High Carbon Stock (HCS) assessments available	This indicator is disabled as the company has not undertaken any new planting since January 2015.
	85	Peer review of all High Carbon Stock (HCS) assessments undertaken since April 2015 by the HCSA Quality Assurance Process	This indicator is disabled as the company has not undertaken any new planting since January 2015.

Category	ID	Indicator	Summary of findings						
Peat, fire and GHG emissions	92	Implementation of commitment to no planting on peat of any depth	<p>KULIM uphold the Sustainability Policy which was established since 2018, and the commitment towards NDPE has been included in the same policy document. The policy can be found in KULIM website as follows. <a href="https://kulim.com.my/storage/2023/08/KULIM-SUSTAINABILITY-POLICY.pdf">https://kulim.com.my/storage/2023/08/KULIM-SUSTAINABILITY-POLICY.pdf</a></p> <p>It has been confirmed that the total peat area, which was located at Kuala Kabong Estate is 1,380 Ha. This is reflecting the total of peat area under KULIM for Malaysia. The value was evident through the review of Kuala Kabong Estate's Area Statement, dated in July 2012. The same value was also shared in the Sustainability Report 2022. However, it is observed that there is an ongoing new township establishment of Tiong Nam SOV (logistic &amp; warehousing unit), and IBTEC Discovery City at Kuala Kabong area, that may reduce the total of peat area in future reporting. There is an SOP for Peat [as in the Agricultural Manual A18] – to address the water management plan in peat areas to ensure the extensive and effective drainage system in peat soil in order to maintain the water level during dry period and to drain out the excess water in wet period. The latest Drainability assessment was conducted for Kuala Kabong Estate Replanting program, scheduled in 2025. The date of the assessment was on 24 Nov 2022.</p> <p>In terms of total peat area in Indonesia, this value cannot be confirmed yet. The value reported previously, the 14,447 Ha was not representing the peat area, but it is the total land bank for plantations under KULIM in Indonesia. Further detail as follows.</p> <table border="1"> <tbody> <tr> <td>Land bank area for PT-RAJ</td> <td>7,406 Ha</td> </tr> <tr> <td>Land bank area for PT-TPR</td> <td>7,041 Ha</td> </tr> <tr> <td>Total land bank for KULIM in Indonesia</td> <td>14,447 Ha</td> </tr> </tbody> </table> <p>During the conduct of this year assessment, KULIM has shared that the divestment of ALL land bank area in Indonesian estate (as listed above) is completed in August 2023. Nevertheless, this information has not been made publicly available.</p>	Land bank area for PT-RAJ	7,406 Ha	Land bank area for PT-TPR	7,041 Ha	Total land bank for KULIM in Indonesia	14,447 Ha
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Peat, fire and GHG emissions	105	Progress towards commitment to reduce GHG emissions intensity	<p>KULIM applied management methods prescribed by RSPO that includes the utilisation of the PalmGHG V4 calculator to identify the Group's gross carbon emissions on an annual basis. KULIM publish a Carbon footprint Report biennially, disclosing our performance and initiatives towards reducing emissions. Five biogas plants have already been installed and in operation to reduce our dependency on non-renewable energy. Invest in renewable energy through biogas, biomethane and bio-CNG.</p> <p>During the verification, noted that all sites had sent their yearly data to HQ via RSPO PalmGHG Consolidate template. In which it was used to calculate their GHG Emission intensity as to achieve the 2025 target, which translates into 0.88 MT CO<sub>2</sub> e per MT CPO and PK. As reviewed during the assessment, the downstream operations of KULIM have their GHG calculations and certified ISCC.</p>						

For all five mills, the GHG emissions, which has been determined via the RSPO PalmGHG calculator are tabulated below:

Mill/Year	Unit	2021	2022
Palong Cocoa POM	MT CO2e per MT of CPO and PK	0.62	0.34
Pasir Panjang POM	MT CO2e per MT of CPO and PK	0.42	0.40
Sedenak POM	MT CO2e per MT of CPO and PK	2.26	2.15
Sindora POM	MT CO2e per MT of CPO and PK	1.11	0.87
Tereh POM	MT CO2e per MT of CPO and PK	0.66	0.50

From the same source, the GHG emissions categorized into Scope 1, Scope 2 and Scope 3 are as follows. The same information has been made available in KULIM's Sustainability Report 2022.

Category	Emissions sources	GHG emissions value, MTCO2e
Scope 1	Fertilizer application, Field fuel use, POME, Mill fuel use	185,822
Scope 2	Electricity consumed from grid	208
Scope 3	Fertilizer production and transportation	33,902

In 2022, KULIM recorded total emissions of CO2 equivalent (MT CO2e), which translated into an emissions intensity of 0.93 MT CO2e per MT of CPO and PK. The total emissions density was 18% lower than the 1.13 MT CO2e per MT CPO and PK in 2021. It is observed that there was reduction in GHG emissions reported.

The carbon emissions were 47% less than our 2012 baseline, approaching KULIM target of 50% reduction by 2025. To achieve the reduction target, KULIM has lined up both short term and long-term initiatives through the integration of waste and pollution management, renewable energy and carbon farming with our agricultural practices.

All five mills, or 100% of the total of KULIM mills are equipped with biogas plants that capture methane.

Palm Oil Mill	Status
Sedenak	Biogas Plant commissioned in April 2019. The plant was upgraded and re-commissioned in Aug 2022.
Pasir Panjang	Biogas Plant commissioned in December 2017
Sindora	Biogas Plant commissioned in July 2017. The plant was upgraded and re-commissioned in April 2022.
Palong Cocoa	Biogas Plant commissioned in September 2020
Tereh	Biogas Plant commissioned in September 2021

KULIM has established the pollution and Emission Management Plan as below:

1. Emission of dark smoke
2. Emission of noise
3. Emission of Air Pollution
4. Emission of greenhouse gas (GHG).

			<p>The source, action, frequency, record, responsibility and training has been updated. The source of fuel (inspection of vehicle condition) and fertiliser usage (apply bio compost to recycle nutrient from the EFB) has been recorded on daily for inspection and monitoring at worker area to reduce the GHG.</p> <p>Procedure zero burning implemented the early 1990s, KULIM have adopted a zero-burning replanting technique. Open burning on estates and mill grounds is strictly prohibited under the 1974 Environmental Quality Act and RSPO regulations. Instead, palms that are no longer viable are subjected to mechanical felling, and felled trees are chipped and shredded to facilitate rapid natural decomposition. The zero-burning practice is part of KULIM's commitment to minimise global warming through reduced GHG emissions. KULIM also brief the employees on fire safety as part of their training programmes.</p> <p>SOURCE:        Integrated Report 2022  <a href="https://drive.google.com/file/d/1FTdoBr7Q6LFaJ-Pb8GHGsZwXMZAjKriK/view">https://drive.google.com/file/d/1FTdoBr7Q6LFaJ-Pb8GHGsZwXMZAjKriK/view</a></p>																												
Water, chemical and pest management	110	Progress towards commitment on water use intensity	<p>In order to reduce KULIM consumption, they recycle water from steriliser condensates in KULIM mills. Initiatives undertaken by KULIM include ensuring the BOD of their effluents stays below permissible limits. KULIM have also installed water catchment areas to harvest rainwater.</p> <p>Records of water usage per tonne of FFB produced:</p> <table border="1" data-bbox="728 802 1480 1062"> <thead> <tr> <th>POM</th> <th>Unit</th> <th>FY2022</th> <th>FY2021</th> </tr> </thead> <tbody> <tr> <td>Average Group</td> <td>m3/mt FFB</td> <td>1.13</td> <td>1.11</td> </tr> <tr> <td>Tereh</td> <td>m3/mt FFB</td> <td>0.91</td> <td>1.14</td> </tr> <tr> <td>Sedenak</td> <td>m3/mt FFB</td> <td>0.99</td> <td>1.05</td> </tr> <tr> <td>Sindora</td> <td>m3/mt FFB</td> <td>1.18</td> <td>0.92</td> </tr> <tr> <td>Palong Cocoa</td> <td>m3/mt FFB</td> <td>1.31</td> <td>1.23</td> </tr> <tr> <td>Pasir Panjang</td> <td>m3/mt FFB</td> <td>1.25</td> <td>1.18</td> </tr> </tbody> </table> <p>Sighted that the reductions were achieved by 2 out 5 (Tereh &amp; Sedenak) palm oil mills from 2021 to 2022 only. Other mills are still in progress of identifying the cause of increment in their water consumption. All in all, the company has achieved its target to keep mill water usage intensity below 1.2 m3/MT of FFB processed, where the average achievement for the group was 1.13 m3/MT of FFB processed in 2022.</p> <p>SOURCE:        Integrated Report 2022  <a href="https://drive.google.com/file/d/1FTdoBr7Q6LFaJ-Pb8GHGsZwXMZAjKriK/view">https://drive.google.com/file/d/1FTdoBr7Q6LFaJ-Pb8GHGsZwXMZAjKriK/view</a></p>	POM	Unit	FY2022	FY2021	Average Group	m3/mt FFB	1.13	1.11	Tereh	m3/mt FFB	0.91	1.14	Sedenak	m3/mt FFB	0.99	1.05	Sindora	m3/mt FFB	1.18	0.92	Palong Cocoa	m3/mt FFB	1.31	1.23	Pasir Panjang	m3/mt FFB	1.25	1.18
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Water, chemical and pest management	112	Progress towards commitment on water quality (BOD or COD)	<p>To ensure KULIM do not pollute water in the vicinity of their operations, KULIM monitor the Biochemical Oxygen Demand (“BOD”) of surrounding water bodies. BOD measures the amount of dissolved oxygen needed by aerobic biological organisms to oxidise organic matter (the higher the BOD level, the higher is the level of organic contaminants). The BOD of water bodies surrounding KULIM operations has dropped significantly since they started installing polishing plants at KULIM mills, and it was in compliance within specify legal limit – which is regulated by the Department of Environment (DOE), Malaysia. The table below provides the legal limit for BOD discharges, in accordance with the DOE Compliance Scheduled Licenses for all five mills:</p> <table border="1"> <thead> <tr> <th>Palm Oil Mill</th> <th>DOE Effluent License No.</th> <th>Disposal Method</th> <th>Regulatory legal limit BOD discharged</th> <th>Mill capacity per hour</th> </tr> </thead> <tbody> <tr> <td>Palong Cocoa</td> <td>004720</td> <td>Land application</td> <td>2500mg/l</td> <td>40mt</td> </tr> <tr> <td>Pasir Panjang</td> <td>004649</td> <td>Land application</td> <td>1000mg/l</td> <td>65mt</td> </tr> <tr> <td>Sedenak</td> <td>004532</td> <td>Land application</td> <td>2500mg/l</td> <td>90mt</td> </tr> <tr> <td>Sindora</td> <td>004718</td> <td>Land application</td> <td>100mg/l</td> <td>45mt</td> </tr> <tr> <td>Tereh</td> <td>004685</td> <td>Land application</td> <td>2500mg/l</td> <td>60mt</td> </tr> </tbody> </table> <p>In terms of COD, while there is no legal limit on the Chemical Oxygen Demand (“COD”) of effluents, KULIM monitors the COD value of wastewater from their mills through a Palm Oil Mill Dashboard. From the review of the last five years record, it can be concluded that the discharges were compliant to the stipulated thresholds.</p> <p>Records of average BOD &amp; COD reading:</p> <table border="1"> <thead> <tr> <th>YEAR</th> <th></th> <th>2022</th> <th>2021</th> <th>2020</th> <th>2019</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Average BOD reading</td> <td>mg/L</td> <td>223</td> <td>192</td> <td>241</td> <td>288</td> <td>261</td> </tr> <tr> <td>Tereh</td> <td>mg/L</td> <td>307</td> <td>367</td> <td>461</td> <td>426</td> <td>348</td> </tr> <tr> <td>Sedenak</td> <td>mg/L</td> <td>367</td> <td>363</td> <td>399</td> <td>397</td> <td>342</td> </tr> <tr> <td>Sindora</td> <td>mg/L</td> <td>42</td> <td>26</td> <td>33</td> <td>38</td> <td>43</td> </tr> <tr> <td>Palong Cocoa</td> <td>mg/L</td> <td>283</td> <td>86</td> <td>241</td> <td>356</td> <td>241</td> </tr> <tr> <td>Pasir Panjang</td> <td>mg/L</td> <td>114</td> <td>117</td> <td>72</td> <td>224</td> <td>330</td> </tr> </tbody> </table>	Palm Oil Mill	DOE Effluent License No.	Disposal Method	Regulatory legal limit BOD discharged	Mill capacity per hour	Palong Cocoa	004720	Land application	2500mg/l	40mt	Pasir Panjang	004649	Land application	1000mg/l	65mt	Sedenak	004532	Land application	2500mg/l	90mt	Sindora	004718	Land application	100mg/l	45mt	Tereh	004685	Land application	2500mg/l	60mt	YEAR		2022	2021	2020	2019	2018	Average BOD reading	mg/L	223	192	241	288	261	Tereh	mg/L	307	367	461	426	348	Sedenak	mg/L	367	363	399	397	342	Sindora	mg/L	42	26	33	38	43	Palong Cocoa	mg/L	283	86	241	356	241	Pasir Panjang	mg/L	114	117	72	224	330
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YEAR		2022	2021	2020	2019	2018																																																																												
Average BOD reading	mg/L	223	192	241	288	261																																																																												
Tereh	mg/L	307	367	461	426	348																																																																												
Sedenak	mg/L	367	363	399	397	342																																																																												
Sindora	mg/L	42	26	33	38	43																																																																												
Palong Cocoa	mg/L	283	86	241	356	241																																																																												
Pasir Panjang	mg/L	114	117	72	224	330																																																																												

YEAR		2022	2021	2020	2019	2018
Average COD reading	mg/L	1617	1786	1790	1960	1837
Tereh	mg/L	2590	2140	3105	3147	2310
Sedenak	mg/L	2492	3334	2780	3056	2642
Sindora	mg/L	544	464	615	414	788
Palong Cocoa	mg/L	1760	1091	1701	2176	1641
Pasir Panjang	mg/L	697	1903	751	1007	1803

SOURCE:  
 Integrated Report 2022  
<https://drive.google.com/file/d/1FTdoBr7Q6LFaJ-Pb8GHGsZwXMZAJKriK/view>

Community, land and labour rights	139	Examples of local stakeholder engagement to prevent conflicts	<p>KULIM operational units impact the lives of local communities, which provide KULIM with support in tangible and non-tangible ways. By enriching the community, KULIM strengthen their own support framework. Not respecting the rights and interests of KULIM local communities could lead to conflict which would impact the smooth running of their estates. Regular and meaningful engagement with local communities demonstrate Kulim’s commitment to enhancing their lives and livelihood. KULIM response and practice:</p> <ul style="list-style-type: none"> <li>▪ Conduct independent social and environmental impact assessments.</li> <li>▪ Adhere to the principle of Free, Prior and Informed Consent (“FPIC”) before embarking on any new development.</li> <li>▪ Guided by our land encroachment manual to address potential land conflicts.</li> <li>▪ Engage with and enhance the lives of local communities through educational initiatives and other community outreach programmes.</li> </ul> <p>The stakeholder engagement process to prevent further conflicts is manage through the internal established procedure, documented in Communication and Consultation Procedure (SOP#SQD/SMS/1.1). The procedure is in place to guide activities like consultation with surrounding neighbourhood, villages, government agencies, and other interested parties, external and internal. It has been sighted that the company regularly visits to suppliers and allows them to voice concerns, and they have internal team responsible for stakeholder engagement and conducts participatory mapping. Information is externally verified in RSPO public summary reports.</p> <p>At the same time, KULIM also has the procedure to manage issue of land encroachment, as specified in the Land Encroachment Procedure (KMB/PMD/MP/05, rev.4). This procedure was put into action while handling the issues concerning land at United Malayan Agriculture Corporation (UMAC) and Bukit Jalil Keratong Estate (BJKE). In the first case involving UMAC, the community has a collaboration with FELCRA Bukit Serok on the planting of oil palm. Under this collaboration, each Orang Asli participant receives RM800 per month from the FFB harvesting proceeds. However, there is an issue of over planting by FELCRA Bukit Serok into land</p>
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			<p>belonging to UMAC Estate. Meetings between UMAC Estate, Kulim Plantations, JAKOA and Tok Batin have been held to discuss and resolve the issue. The second case involving UMAC is when BJKE conducted a land survey in 2019 and discovered that the actual boundary of BJKE's land is indeed located within UMAC estate, at about +/- 7 kilometers along the boundary. BJKE then, through their company lawyer sent a legal letter to notify UMAC estate on this issue and to regain possession of the encroached area and shall exercise all rights onto the said area immediately. In handling this case, KULIM carefully negotiated a settlement agreement, embracing the interests of all parties. In both cases, it has been managed in accordance with the establish procedure and the issues were facilitated and resolved amicably. More detailed information was made publicly available in KULIM's Sustainability Report 2022.</p> <p>SOURCE:        RSPO P&amp;C Public Summary Report Revision 14 (Aug 2022)        Certification Unit: Mahamurni Plantations Sdn Bhd, Date of Final Report: 02/02/2023</p>
Smallholders and suppliers	166	Percentage of scheme smallholders involved in programme	<p>KULIM are committed to engaging with smallholders to help them gain RSPO certification through their Smallholder Inclusion Programme. KULIM SID team conducts annual RSPO awareness programmes for all smallholders and engages with them on the practices they need to adopt to obtain RSPO compliance. The participants benefit from economic incentives such as premium pricing and improvements to farm yields – resulting from the palm oil supply chain management outlined in the RSPO requirements. They also gain a better understanding of how to adopt good agricultural practices and efficient palm growing techniques for better yield.</p> <p>KULIM supports independent smallholders and traders on their certification journeys by introducing them to certification bodies and programmes to assist with the progress. They also provide technical support wherever possible. Since 2013, they have provided economic incentives to smallholders and traders that sell RSPO certified FFB. Through KULIM Smallholder Inclusion Programme, they pay a premium of RM2 per tonne of certified FFB purchased to encourage the adoption of sustainability certification. Since our, FGVPM Paloh Estate and Wawasan Estate became certified in 2014, they have made payments to KULIM two certified outgrowers that supply them. In 2021, KULIM increased this premium to RM6 per tonne of certified FFB to encourage more smallholders to apply for RSPO certification. Hence, in 2022 KULIM continue to maintain this premium at RM6 per tonne of certified FFB to motivate and gain more interest from smallholders to apply for RSPO certification. Sighted the Smallholder Inclusion Programme improved 186 oil palm smallholders' income through RSPO practices. As of Dec 2022, 12% of our schemed smallholders have participated in the smallholder programme.</p> <p>SOURCE:        Integrated Report 2022  <a href="https://drive.google.com/file/d/1FTdoBr7Q6LFaJ-Pb8GHGsZwXMZAjKriK/view">https://drive.google.com/file/d/1FTdoBr7Q6LFaJ-Pb8GHGsZwXMZAjKriK/view</a></p>

Category	ID	Indicator	Summary of findings																																																																	
Smallholders and suppliers	168	Percentage of independent smallholders/ outgrowers involved in programme	<p>All KULIM mills and estates are RSPO certified. KULIM also provide advisory and technical support for our smallholders to attain the RSPO certification through our Smallholder Inclusion Programme. As a result, three of our 25 outgrowers (12%) have been certified while another 22 are working towards it. KULIM targets to get the other two outgrowers (8%) from their smallholders' program to be certified in 2025.</p> <table border="1"> <thead> <tr> <th rowspan="2">Type of FFB</th> <th colspan="2">Number of RSPO Certified and Non RSPO Certified Outgrowers</th> </tr> <tr> <th>2022</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Certified</td> <td>3</td> <td>3</td> </tr> <tr> <td>Non-Certified</td> <td>22</td> <td>27</td> </tr> </tbody> </table> <p>As listed in the table below, there are two outgrowers (non-certified) involve in the smallholders' program 2022. None of the participants were independent smallholders.</p> <table border="1"> <thead> <tr> <th>Category</th> <th>No of Supplier</th> <th>No</th> <th>Name</th> <th>POM</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Outgrowers</td> <td rowspan="2">2</td> <td>1</td> <td>Kebun Sedenak Sdn Bhd</td> <td>SEDPOM</td> </tr> <tr> <td>2</td> <td>Puncak Rata (M) Sdn Bhd (Ladang Sedenak Bahru)</td> <td>SEDPOM</td> </tr> <tr> <td rowspan="11">Traders / Dealers</td> <td rowspan="11">17</td> <td>1</td> <td>AZ Iman Resources Sdn Bhd</td> <td>SEDPOM</td> </tr> <tr> <td>2</td> <td>Bukit Siput Resources Sdn Bhd</td> <td>SEDPOM</td> </tr> <tr> <td>3</td> <td>Che Yu Trading Sdn. Bhd</td> <td>SEDPOM</td> </tr> <tr> <td>4</td> <td>Choon Guan Oil Palm Sdn Bhd</td> <td>SEDPOM</td> </tr> <tr> <td>5</td> <td>Eng Huat Latex Concentrate Sdn Bhd</td> <td>SEDPOM</td> </tr> <tr> <td>6</td> <td>Eng Lee Heng Trading Sdn Bhd</td> <td>SEDPOM</td> </tr> <tr> <td>7</td> <td>Fong Tak Development Sdn. Bhd</td> <td>SEDPOM</td> </tr> <tr> <td>8</td> <td>Guan Leng Trading Sdn Bhd</td> <td>SEDPOM</td> </tr> <tr> <td>9</td> <td>Haji Mansor Dan Keluarga Enterprise</td> <td>SEDPOM</td> </tr> <tr> <td>10</td> <td>Hong Hui Trading</td> <td>SEDPOM</td> </tr> <tr> <td>11</td> <td>Hwa Lee Oil Palm Trading Sdn Bhd</td> <td>SEDPOM</td> </tr> <tr> <td>12</td> <td>KCL Dagang Enterprise</td> <td>SEDPOM</td> </tr> <tr> <td>13</td> <td>Keng Ann Rubber Sdn. Bhd.</td> <td>SEDPOM</td> </tr> </tbody> </table>	Type of FFB	Number of RSPO Certified and Non RSPO Certified Outgrowers		2022	2021	Certified	3	3	Non-Certified	22	27	Category	No of Supplier	No	Name	POM	Outgrowers	2	1	Kebun Sedenak Sdn Bhd	SEDPOM	2	Puncak Rata (M) Sdn Bhd (Ladang Sedenak Bahru)	SEDPOM	Traders / Dealers	17	1	AZ Iman Resources Sdn Bhd	SEDPOM	2	Bukit Siput Resources Sdn Bhd	SEDPOM	3	Che Yu Trading Sdn. Bhd	SEDPOM	4	Choon Guan Oil Palm Sdn Bhd	SEDPOM	5	Eng Huat Latex Concentrate Sdn Bhd	SEDPOM	6	Eng Lee Heng Trading Sdn Bhd	SEDPOM	7	Fong Tak Development Sdn. Bhd	SEDPOM	8	Guan Leng Trading Sdn Bhd	SEDPOM	9	Haji Mansor Dan Keluarga Enterprise	SEDPOM	10	Hong Hui Trading	SEDPOM	11	Hwa Lee Oil Palm Trading Sdn Bhd	SEDPOM	12	KCL Dagang Enterprise	SEDPOM	13	Keng Ann Rubber Sdn. Bhd.	SEDPOM
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					14	Nirwana Ceria Sdn Bhd	SEDPOM
					15	Perniagaan Md Sangidi	SEDPOM
					16	Perniagaan Sri Mahtai	SEDPOM
					17	Perniagaan Sri Misan	SEDPOM
			<b>Schemed smallholders</b>	3	1	Koperasi Penanam Sawit Mampan Daerah Kulaijaya Berhad	SEDPOM
					2	Koperasi Penanam Sawit Mampan Daerah Pontian Berhad (Pertubuhan Peladang Kawasan Johor Bahru)	SEDPOM
					3	Pertubuhan Peladang Kawasan Kulai	SEDPOM
			<b>Certified Outgrowers &amp; Traders / Dealers</b>	3	1	Felda Global Venture Holdings (Felda Paloh)	TPOM
					2	Rantau Harmoni Sdn Bhd (Ladang Wawasan)	TPOM
					3	Eng Lee Heng Trading Sdn Bhd	SINPOM
			<p>To date, KULIM have supported two of their smallholders to achieve the RSPO certification – FGVPM Paloh Estate and Wawasan Estate. Since they were certified in 2014, KULIM SID team monitors and helps them maintain compliance through annual audits. In 2019, one of KULIM trader suppliers, Eng Lee Heng (“ELH”) Trading, was successfully certified against the MSPO standards and went on to achieve RSPO certification in May 2020 through the Wild Asia Group Scheme (“WAGS”).</p> <p>SOURCE:            Integrated Report 2022  <a href="https://drive.google.com/file/d/1FTdoBr7Q6LFaJ-Pb8GHGsZwXMZAjKriK/view">https://drive.google.com/file/d/1FTdoBr7Q6LFaJ-Pb8GHGsZwXMZAjKriK/view</a></p>				
Smallholders and suppliers	170	Number or percentage of suppliers assessed and/or engaged on compliance with company’s policy and/or legal requirements	<p>KULIM support the suppliers by building a sound supply chain management system in order to expand their market access. Through the ESG practices, which are shared with suppliers, KULIM encourage them to adopt ESG principles while continuing to provide quality products and services thus enhance their market value. KULIM influencing the suppliers and are able to ensure the principles of sustainability are imbued along the entire supply chain KULIM established procurement and contract policy to act as guidelines for transparent dealing with all vendors. Noted that 100% assessed and engaged with FFB supplier via FFB purchase agreement. Refer to clause 15 (Rules and regulations) and 16 (Representations and warranties).</p>				

Category	ID	Indicator	Summary of findings
Smallholders and suppliers	173	Proportion of supply from suppliers that is verified as deforestation - and/or conversion-free (DCF)	<p>The majority of KULIM supplying mills are located within the Sedenak and Sindora POMs. The FFB comes from direct and indirect sources. All KULIM source for FFB supply comes from smallholder farmers or FFB traders who collect from smallholders. KULIM strive to ensure that their supply chain (direct and indirect suppliers) lives up to the Group's NDPE Policy. The monitoring of deforestation for 100% KULIM's supply base commenced in 2022, through their subscription to GFW satellite provider. The GFW website is an open access website that represents a major step forward in KULIM journey to create a deforestation-free supply chain. It enables users to overlap the location of any estate by uploading the shapefile of the estate to the website. The overlapping of concession maps is also done to KULIM operating units besides the suppliers' area of operation. The GFW website links to satellite imagery data that provides more information about what is happening on the ground concerning deforestation. KULIM continued to monitor deforestation activity monthly as this is part of their commitment to Supply Chain Monitoring. The monitoring covers KULIM buffer zone boundary along forest reserve areas for all suppliers – their own estates and outsiders. KULIM did not detect any evidence of deforestation within their boundaries during their routine monitoring for the year, particularly for their own estates (23 estates) and the outsiders (25 outsiders). It can be confirmed that the proportion of supplies from suppliers that is verified as DCF is 100%.</p> <p>KULIM is committed to ensuring that land management practices are consistent with the long-term productivity of the resource, so that the land remains suitable for agricultural use. KULIM will not undertake new developments in area of Primary Forest classified as High Carbon Stock (HCS) forests and in an area containing one or more High Conservation Value. Land development undertaken by the company takes into account of the conservation and maintenance of biodiversity by identifying, protecting and maintaining the high conservation value of the areas, protection of cultural heritage and customary land use and the capability of the land to sustain the proposed agricultural activities. KULIM will continue to implement international best practices in the identification and management of HCV area in accordance with RSPO Principles and Criteria for the Production of Sustainable Palm Oil.</p> <p>In addition, KULIM also works closely on the application of the commitment and other relevance with its business partners including suppliers. Among the system in place to monitor compliance via FFB Suppliers Pledge, dated 21 May 2023. 100% FFB Suppliers are required to declare their compliance through the internal pledge system which includes a declaration to eradicate all forms of undertake new developments in area of Primary Forest classified as High Carbon Stock (HCS) forests and in an area containing one or more High Conservation Value. Besides, KULIM also conducted consultation with FFB Supplier via twice per year. Last briefing was conducted on 22 December 2022 at Sedenak POM. The consultation was carried out at centralised POM. Based on the Traceability Report-2022, the amount of direct vs indirect FFB was reported as 80.6% of FFB and 19.4%, respectively.</p> <p>SOURCE:            Integrated Report 2022  <a href="https://drive.google.com/file/d/1FTdoBr7Q6LFaJ-Pb8GHGsZwXMZAjKriK/view">https://drive.google.com/file/d/1FTdoBr7Q6LFaJ-Pb8GHGsZwXMZAjKriK/view</a></p>




## 9.0 ASSESSMENT STATEMENT

SIRIM QAS International Sdn Bhd was engaged by Kulim (Malaysia) Berhad as the third party for external verification to review and confirm the traceability, transparency, and accuracy of information made available by Kulim (Malaysia) Berhad, to address SPOTT Palm Oil Indicator Framework 2023 that requires external verification.

Kulim (Malaysia) Berhad was responsible for the preparation and providing adequate information to confirm compliance status, performance and/or action taken, to address applicable SPOTT Palm Oil Indicator Framework 2023.

It is the responsibility of SIRIM QAS International Sdn Bhd verification team to express an independent verification statement on information obtained during the conduct of assessment. The information is limited to that provided by the client and that is accessible through public domain. The assurance involves activity aims to obtain sufficient appropriate evidence to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party, about the subject matter information. It comprises of activities carried out to assess the quality and credibility of the qualitative and quantitative information reported by the organization. This assurance is different from activities used to assess or validate the organization's performance, such as compliance assessments or the issuing of certifications against specific standards.

### 10.0 REPORT SIGN-OFF

Prepared by	
	Aernida Abdul Kadir
	Lead Auditor – Sustainability Group
	SIRIM QAS International Sdn Bhd
	28 <sup>th</sup> August 2023
Acknowledged by	
	Wan Adlin Wan Mahmood
	General Manager
	Kulim (Malaysia) Berhad
	29 <sup>th</sup> August 2023
Reviewed and Approved by	
	Kamini Sooriamoorthy
	Head – Food, Agriculture and Forestry Certification Section
	SIRIM QAS International Sdn Bhd
	29 <sup>th</sup> August 2023